



City of Detroit

OFFICE OF THE AUDITOR GENERAL

**Audit of the Destruction of
Records at the
Consumer Affairs Department**

December 2003

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MEMORANDUM

DATE: December 26, 2003
TO: Honorable City Council
FROM: Joseph L. Harris
Auditor General 
RE: Audit of the Destruction of Records at the Consumer Affairs Department
C: Mayor Kwame M. Kilpatrick

Attached for your review is our audit report on the destruction of records at the Consumer Affairs Department.

This report contains our audit purpose, scope, objectives and methodology; background; and audit finding and recommendation.

We appreciate the assistance that we received from the Consumer Affairs Department and the Senior Citizens Department employees.

AUDIT PURPOSE, SCOPE, OBJECTIVES AND METHODOLOGY

Audit Purpose

The purpose of this audit report is to provide City Council with the results of our investigation of the destruction of records at the Consumer Affairs Department.

Audit Scope

For the period November 8, 1996, through November 7, 2003, the Consumer Affairs Department had approximate 4,500 consumer complaint entries recorded in its consumer complaint tracking system and complaint log. The Office of the Auditor General (OAG) selected a judgmental sample of 100 of these entries. The purpose of selecting the sample was to ascertain the existence of the related consumer complaint case files.

Our investigation was conducted in accordance with Government Auditing Standards issued by the Comptroller General of the United States, except for the completion of an external quality review of the OAG within the last three years.

Audit Objective

The OAG's audit objective was to determine whether the population of consumer complaint case files maintained by the Consumer Affairs Department was complete.

Audit Methodology

To conduct the audit, the OAG employed the following methodologies:

- Interviewed the Director of the Consumer Affairs Department; Director, Deputy Director, and Executive Assistant of the Senior Citizens Department; and personnel of the Consumer Affairs Department's Consumer Advocacy Division
- Interviewed a Law Department staff attorney
- Interviewed outside legal counsel retained by City Council, which was the source of the letter alleging the destruction of records
- Selected a judgmental sample of 100 consumer complaint entries from the Consumer Affairs Department Complaint Tracking System and Complaint Log
- Attempted to ascertain the existence of the one-hundred consumer complaint case files
- Requested and obtained an opinion from the Law Department pertaining to a minimum retention period requirement for consumer complaint records

BACKGROUND

On October 24, 2003, City Council requested that the Office of the Auditor General (OAG) investigate the alleged destruction of records at the Consumer Affairs Department to determine whether the destruction of records was undertaken as a means to obstruct justice. The City Council provided the OAG with a copy of a letter dated October 15, 2003, from its outside legal counsel addressed to the Law Department, alleging that the Mayor had ordered the Consumer Affairs Department staff to "destroy records, documents, and materials in possession of the Department."

The Mayor's Office had reassigned the Consumer Affairs Department's Consumer Advocacy Division to the Senior Citizens Department. In connection with this reassignment, files containing consumer complaint records were packed and moved from the Consumer Affairs Department to the Senior Citizens Department.

FINDING AND RECOMMENDATION

The results of our audit revealed that 86 consumer complaint case files related to the OAG sample of 100 consumer complaint entries were found, and 14 case files were missing. The missing consumer complaint case files were from the following years:

- Two case files from 1996
- One case file from 1997
- Four case files from 1998
- Three case files from 1999
- Two case files from 2000
- One case file from 2001
- One case file from 2003

Based on the results of our audit, the OAG cannot conclude that the population of consumer complaint case files is complete. The inability to account for 14 of the 100 consumer complaint case files may be due to the following reasons:

- Entries of consumer complaints in the logs used to select the OAG sample were erroneous
- Case files were destroyed
- Case files were misfiled
- Case files were lost

1. Adopt Policies and Procedures for Logging, Filing, and Maintaining Consumer Complaint Case Files; and Adopt a Record Retention and Disposal Schedule:

During our audit, the auditor observed that:

- Consumer complaint case files were in disarray.
- Some consumer complaint case files were stored in boxes in a consumer complaint investigator's office. The case files were not in a systematic order, and some were misfiled. For example, a file containing a consumer complaint, received by the Consumer Affairs Department in 2001, was filed in a box labeled 1997-1999.
- Other case files in boxes stored in the Senior Citizens Department's storage room were not in any logical order.
- It took the Department eight days to find 86 of the consumer complaint case files included in the OAG's sample, demonstrating the disorganization of the case files.

A Consumer Affairs Department representative said the excessive time spent finding consumer complaint case files is the result of case files being packed in boxes, not in the

best order, in preparation for the move to the Senior Citizens Department. Also, when the Consumer Affairs Department ran out of storage space, consumer complaint case files were placed in storage boxes in no logical order.

The unorganized filing of consumer complaint records has resulted in excessive time spent searching for case files and may result in consumer complaints not being investigated on a timely basis.

In addition to the lack of organization, the Consumer Affairs Department does not have a retention and disposal schedule for its consumer complaint records. A Consumer Affairs Department representative told the auditor that the Department has never had such a schedule.

A system of internal control includes a record system, adopted by an entity, to promote operational efficiency.

We recommend that the Consumer Affairs Department adopt policies and procedures to ensure the proper logging, filing, and maintenance of all consumer complaint case files, and adopt a retention and disposal schedule for consumer complaint records.